

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7499
BILL NUMBER: SB 527

NOTE PREPARED: Jan 19, 2015
BILL AMENDED:

SUBJECT: School Performance Measures.

FIRST AUTHOR: Sen. Schneider
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that an accredited nonpublic school or Freeway school may administer, instead of the ISTEP program, another nationally recognized and norm-referenced assessment. It corrects obsolete cross-references.

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary: Department of Education* - For nonpublic schools, the fiscal impact on the Department of Education would depend on the cost of the assessment program chosen by the nonpublic school versus the cost of the ISTEP program. Under current law, the Department has to incur the cost of providing the ISTEP program to accredited nonpublic schools. Under this bill, if the nonpublic school chooses to administer an assessment program other than the ISTEP program, the Department would have to incur the cost of that assessment program. The fiscal impact could be an increase or decrease in state costs depending on whether the per-student costs of the nationally recognized and norm-referenced assessment is less than or more than the per-student costs of ISTEP.

State Board of Education - The State Board of Education would incur the additional cost of evaluating the norm-referenced assessment program and the locally adopted assessment program instead of the Department. The State Board would also incur the additional cost of developing a methodology to measure a school's improvement under these assessment programs.

Additional Information - Under current law, an accredited nonpublic school has to administer the ISTEP program; a Freeway school can choose between ISTEP and a locally developed assessment program

approved by the Department. Under this bill, beginning with the 2016-17 school year, an accredited nonpublic school or Freeway school can choose to administer the ISTEP program, a nationally recognized and norm-referenced assessment program, or a locally adopted assessment program approved by the State Board of Education. The alternative assessment program chosen by nonpublic schools and Freeway schools would have to be based on the current Indiana Academic Standards (IAS) for it to be approved by the Department. At this time, the Department has indicated that there are not any alternative assessment systems that are based on the current standards so these schools would have to administer ISTEP in order to remain accredited. The same applies to Choice schools.

In 2014 the State Board adopted the Indiana College- and Career-Ready Standards. Assessments based on these standards would be introduced beginning in the 2015-16 school year.

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary: Freeway Schools* - Under current law, a Freeway school can choose to administer the ISTEP program or a locally adopted assessment program as stipulated in its contract with the State Board of Education. Under this bill, the Freeway school may also choose to administer a nationally recognized and norm-referenced assessment program. If the Freeway school chooses to administer the ISTEP, this bill would have no impact as the Department would assume the cost. If the Freeway school chooses to administer a locally adopted assessment program, the impact would be whether the locally adopted assessment program is more costly or less costly than the nationally recognized and norm-referenced assessment program. The Freeway school would have to assume the cost of the assessment program if it is not ISTEP.

Explanation of Local Revenues:

State Agencies Affected: State Board of Education; Department of Education.

Local Agencies Affected: Nonpublic schools; Freeway schools.

Information Sources: George Frampton, Office of School Accreditation, Department of Education, 317-232-9060.

Fiscal Analyst: David Lusan, 317-232-9592.